



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-992]

Monosodium Glutamate from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce (the Department) preliminarily determines that monosodium glutamate (MSG) from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided the Tariff Act of 1930, as amended (the Act). The period of investigation is January 1, 2013, through June 30, 2013. The estimated weighted-average dumping margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. We invite interested parties to comment on this preliminary determination. The final determination will be issued not later than 135 days after publication of this preliminary determination in the Federal Register.

DATES: Effective: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Milton Koch, Brandon Steele, or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2584, (202) 482-4956, or (202) 482-1396, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Scope of the Investigation

The scope of this investigation covers MSG, whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15 percent or more of MSG by dry weight.<sup>1</sup>

##### Scope Comments

In accordance with the Preamble to the Department's regulations,<sup>2</sup> a period of time was set aside in our Initiation Notice for parties to raise product coverage issues, and we encouraged interested parties to submit comments within 20 calendar days of the signature date of that notice.<sup>3</sup> No scope comments were submitted regarding this investigation.

##### Methodology

The Department is conducting this antidumping duty investigation in accordance with section 731 of the Act. Export prices (EPs) and constructed export prices (CEPs) are being calculated in accordance with section 772 of the Act. Because the PRC is a non-market

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<sup>1</sup> See Appendix I for a complete description of the scope of this investigation.

<sup>2</sup> See Antidumping Duties; Countervailing Duties, 62 FR 27296, 27323 (May 19, 1997) (Preamble).

<sup>3</sup> See Monosodium Glutamate From the People's Republic of China, and the Republic of Indonesia: Initiation of Antidumping Duty Investigations, 78 FR 65278 (October 31, 2013) (Initiation Notice).

economy within the meaning of section 771(18) of the Act, normal value (NV) is calculated in accordance with section 773(c) of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.<sup>4</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <https://iaaccess.trade.gov>, and is available to all parties in the Department's Central Records Unit, located at room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Combination Rates

In the Initiation Notice, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.<sup>5</sup> This practice is described in Policy Bulletin 05.1.<sup>6</sup>

#### Preliminary Determination

The Department preliminarily determines that MSG from the PRC is being, or is likely to be, sold in the United States at LTFV, as provided in section 733(b) of the Act.

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<sup>4</sup> See the Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Monosodium Glutamate from the People's Republic of China," dated concurrently with this notice (Preliminary Decision Memorandum) which is hereby adopted by this notice.

<sup>5</sup> See Initiation Notice, 78 FR at 65282.

<sup>6</sup> See Policy Bulletin No. 05.1, regarding "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries" (April 5, 2005) ("Policy Bulletin 05.1"), available at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

The Department preliminarily determines that the following estimated weighted-average dumping margins exist:

<b>Exporter</b>	<b>Producer</b>	<b>Weighted-Average Dumping Margin</b>
Langfang Meihua Bio-Technology Co., Ltd./Meihua Group International Trading (Hong Kong) Limited	Tongliao Meihua Biological SCI-TECH Co., Ltd./ Meihua Holdings Group Co., Ltd., Bazhou Branch	52.24 percent
Fujian Province Jianyang Wuyi MSG Co., Ltd.	Fujian Province Jianyang Wuyi MSG Co., Ltd.	52.24 percent
Neimenggu Fufeng Biotechnologies Co., Ltd.	Neimenggu Fufeng Biotechnologies Co., Ltd.	52.24 percent
Baoji Fufeng Biotechnologies Co., Ltd.	Baoji Fufeng Biotechnologies Co., Ltd.	52.24 percent
PRC-wide Entity*		52.27 percent

\*The PRC-wide entity includes Shandong Linghua Monosodium Glutamate Incorporated Company, a mandatory respondent in this investigation.

#### Preliminary Affirmative Determination of Critical Circumstances

On April 11, 2014, Petitioner filed a timely critical circumstances allegation, pursuant to section 773(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances exist with respect to imports of MSG from the PRC.<sup>7</sup> We preliminarily determine that critical circumstances exist for the Meihua Group,<sup>8</sup> the separate rate companies,<sup>9</sup> and the PRC-wide entity. A discussion of our determination can be found in the Preliminary Decision Memorandum at the section, “Critical Circumstances.”

<sup>7</sup> See Letter to the Secretary of Commerce, “Monosodium Glutamate from China: Petitioner’s Critical Circumstances Allegations,” dated April 11, 2014. Petitioner is Ajinomoto North America Inc. (Petitioner).

<sup>8</sup> Langfang Meihua Bio-Technology Co., Ltd.; Meihua Group International Trading (Hong Kong) Limited; Tongliao Meihua Biological SCI-TECH Co., Ltd.; and Meihua Holdings Group Co., Ltd., Bazhou Branch (collectively, the Meihua Group).

<sup>9</sup> Fujian Province Jianyang Wuyi MSG Co., Ltd.; Neimenggu Fufeng Biotechnologies Co., Ltd.; and Baoji Fufeng Biotechnologies Co., Ltd. (collectively, the separate rate companies).

## Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>10</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and, (3) a table of authorities. The summary should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate in a hearing if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce. All documents must be filed electronically using IA ACCESS. An electronically filed request must be received successfully in its entirety by IA ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.<sup>11</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

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<sup>10</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

<sup>11</sup> See 19 CFR 351.310(c).

### Postponement of Final Determination and Extension of Provisional Measures

Pursuant to a request from the Meihua Group, a respondent in this investigation, we are postponing the final determination.<sup>12</sup> Accordingly, we will issue our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.<sup>13</sup> Further, the Meihua Group requested to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to not more than six-months. Suspension of liquidation will be extended accordingly.

### Suspension of Liquidation

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published. As described above, we preliminarily find that critical circumstances exist for imports produced or exported by the Meihua Group, the separate rate companies, and the PRC-wide entity. For the Meihua Group, the separate rate companies, and the PRC-wide entity, in accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

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<sup>12</sup> See Letter to the Secretary of Commerce, “Monosodium Glutamate from the People’s Republic of China: Request for Extension of the Final Determination,” dated April 23, 2014.

<sup>13</sup> See also 19 CFR 351.210(e).

We will instruct CBP to require a cash deposit for all suspended entries at an ad valorem rate equal to the weighted-average dumping margins, as indicated in the chart above.<sup>14</sup>

These suspension of liquidation instructions will remain in effect until further notice.

#### Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information from the Meihua Group in making our final determination.

#### International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of MSG, or sales (or the likelihood of sales) for importation, of the merchandise under consideration within 45 days of our final determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: May 1, 2014.

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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<sup>14</sup> See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

## **Appendix I**

### **Scope of the Investigation**

The scope of this investigation covers monosodium glutamate (MSG), whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15% or more of MSG by dry weight. Products with which MSG may be blended include, but are not limited to, salts, sugars, starches, maltodextrins, and various seasonings. Further, MSG is included in this investigation regardless of physical form (including, but not limited to, substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG slurry), end-use application, or packaging.

MSG has a molecular formula of  $C_5H_8NO_4Na$ , a Chemical Abstract Service (CAS) registry number of 6106-04-3, and a Unique Ingredient Identifier (UNII) number of W81N5U6R6U.

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule (HTS) of the United States at subheading 2922.42.10.00. Merchandise subject to the investigation may also enter under HTS subheadings 2922.42.50.00, 2103.90.72.00, 2103.90.74.00, 2103.90.78.00, 2103.90.80.00, and 2103.90.90.91. The tariff classifications, CAS registry number, and UNII number are provided for convenience and customs purposes; however, the written description of the scope is dispositive.

## Appendix II

### **List of Topics Discussed in the Preliminary Decision Memorandum**

1. Summary
2. Background
3. Period of Investigation
4. Scope of the Investigation
5. Postponement of Final Determination and Extension of Provisional Measures
6. Discussion of the Methodology
  - a. Non Market Economy
  - b. Surrogate Country
  - c. Separate Rates
  - d. Application of Facts Available and Adverse Inferences
  - e. Date of Sale
  - f. Co-product/By-product Analysis
  - g. Fair Value Comparisons
  - h. Determination of Comparison Method
  - i. Export Price
  - j. Normal Value
  - k. Factor Valuation Methodology
7. Currency Conversion
8. Critical Circumstances
9. Conclusion